

Cautionary tale from Ulster

BY GEOFFREY OWEN

MR. MICHAEL HESeltine, the wrong. Given the size of the Leyland spokesman on Inland Committee, and the very great risks involved, the quality about the skimpiness of the information given to the House of Commons as the basis for its decision on the latest tranche of Government assistance to British Leyland. Neither the summary of the National Enterprise Board report which was given to the House, nor the subsequent letter which Mr. Eric Varley, Secretary for Industry, wrote to Mr. Heseltine, contained more than the barest outline of the company's progress in the past year. MPs and the public should be given at least some indication of the targets which have been set in relation to output, productivity and sales, how the targets have been arrived at and what progress has been made towards achieving them.

There remains nevertheless, a difficulty about just how far the House of Commons—and the Public Accounts Committee in particular—should go in probing the activities of companies which are owned or controlled by the NEB. Unlike say, the Ministry of Defence or any other Government spending department, these are commercial enterprises which should be judged primarily on the basis of the "bottom line"—their profits or losses.

Making mistakes

It is one thing for the Public Accounts Committee to investigate and criticise, as it does in a report published yesterday, the Ministry of Defence's tendering procedures which led to a loss of £2.5m. on the sale of ships to the U.S. Navy. But it does not follow that the purchasing director of British Leyland Cars, if he makes a mistake in ordering a new transfer line and costs the company a large amount of money, should be arraigned before the Committee.

There are, or should be, internal procedures to ensure that if such mistakes are made the managers concerned are held accountable and disciplined accordingly. If every senior executive in British Leyland has to worry about having to defend major decisions in public before a House of Commons committee, the job of managing the Corporation will be even more difficult than it already is.

Clearly some sort of balance has to be struck between accounting to the taxpayer for the way his money is spent and allowing the managers to get on with their job. On the basis of the information so far supplied the Government has got the balance type, not less.

SPORT

Roger Taylor loses tamely

BRITAIN made a disastrous start in the Davis Cup European Zone B Final at Wimbledon. Roger Taylor lost what was rated to be the easiest rubber of the day against Antonio Zugarelli, Taylor did it. It was a match who took 2 hours 2 minutes to Taylor lost rather than Zugarelli won, though the Italian was

the first of the second set, when he was serving.

Then he broke back to make it 1-1 and the game went with service until 6-6. In the eleventh game Taylor double-faulted twice to concede service, and surrendered the set even more abjectly when he failed to return any of Zugarelli's services.

After his previous labouring, the third set fell surprisingly easily to Taylor, who broke Zugarelli to lead 2-0, lost the next two, then, from 3-3, reeled off the next three games. He broke Zugarelli in the eighth game with a beautifully right-hand half-job down the line, and took the set with a service ace.

The games went to 1-1 in the tenth set, then Taylor lost the rest. He gradually seemed to become dispirited—hardly the fighting Roger of Wimbledon.

Taylor had an appalling and lethargic first set, winning only 11 points—one of them gift

points to present the Italian with three points to win the match.

For one of them Taylor raised

it made nonsense of all the talk of Italy's allergy to grass. Taylor played like a man on a foreign surface—and Zugarelli was perfectly at home.

Taylor never gained sufficient confidence to dictate the game. He could scarcely string two good shots together, let alone harness the power which has thrilled his British supporters in the past, and his lobes were sitting tight.

He was unhappy about a few calls, but was not as unjustify dealt with by the linesman as he believed. What of all though, he served 10 double faults from a linesman's error. He lost

six consecutive games, including

Skilled labour

The really difficult decision—and this probably underlies the anxiety of many MPs about Leyland—is the cutting of aid to a publicly assisted enterprise when that enterprise is deemed to have no chance of ultimate viability. The decision is difficult because commercial and political considerations are mixed up in a thoroughly unsatisfactory way.

The temptation to continue the subsidy almost indefinitely in the hope that things will somehow come right is difficult to resist.

A cautionary tale on this subject is contained in yesterday's report from the Public Accounts Committee. It concerns Regus International, a Norwegian-owned company which set up in Northern Ireland, with the help of the Government, as a manufacturer of electronic cash registers. When the company was put into the hands of a Receiver, it had cost the taxpayer some £2.5m.

The Committee criticised the civil servants in the Northern Ireland Department of Commerce for allowing their commercial judgment to be "unduly influenced" by their anxiety to retain a nucleus of skilled labour in Londonderry. As the civil servant concerned put it to the Committee, "once you are in it is increasingly difficult to get out." With the Government heavily involved in these matters, he said, it is more difficult suddenly to say "we have lost money, we have had enough, let us shut the door and walk away from it."

If there is no market test for whether a firm stays in business or not, where exactly does one draw the line? Just how bad would labour relations in British Leyland have to get, for example, for the Government to be justified in cutting the company to the wall? To replace the judgment of the manager with the judgment of civil servants and politicians will lead to insoluble problems and, incidentally, to a waste of public money. The present Government's insistence on selective assistance will lead to more dilemmas of the Regus type, not less.

LOUJAINE, which won the leaders who were steering the won all the prizes in Class II, winds did not blow until most of the leaders in this class were beaten for the first time, and the Vanity Challenge Cup for home.

The wind, vaguely northerly, then filled and gradually veered to the south-east as the flood tide began. With spinnakers quickly disappearing, the larger

of the week for Class I cruising yachts.

Sir Maurice Laing was aboard his yacht for yesterday's victory in a race that began as a drift with the Solent tides until wind eventually filled in.

The five-year-old Loujaine, which also won the Class I trophy on Monday, seems to have found a new lease of life through her age does give her a small time allowance on handicap.

Mr. Edward Heath's Morning Cloud was second and the much smaller French yacht, Revolution, third.

First away among the 30 crews in a slow drifting start to the west, was the French sloop Revolution and Archie O'Leary's Irish Mist II taking the mid-Solent path. Those to the north at the outer limit of the starting line, stayed almost stationary until the next class were also underway.

The long crawl to the westerly turn at the West Ledge buoy ended in a colourful traffic jam west as those astern caught the Karen, which until yesterday

yachts, including John Prentice's Battley and the Belgian-registered Milieu, made up lost ground on the smaller ones.

The tide played as racial part

in yesterday's progress to the eastern turn at the Wimber buoy, off the entrance to Langstone Harbour.

Loujaine, Morning Cloud and the German crew aboard Sauvage, were always in the hunt.

The order changed with the wind and the Germans led the way back to Cowes by a clear two minutes from Morning Cloud.

Battley was a mere 20 seconds behind but the closing struggle really only unravelled during the last hour of the six-

class race was also underway.

The long crawl to the westerly turn at the West Ledge buoy ended in a colourful traffic jam west as those astern caught the Karen, which until yesterday

was beaten for the first time, and the Vanity Challenge Cup for home.

Another yacht beaten for the first time this week was the Irish-owned Silver Shamrock.

She was second in Class IV to

the David Thomas-designed Min-O-Din, sailed by local yacht-

men. Although he could well make

his presence felt, I cannot see

about 30,000 visiting yachts ing fees, there was an average Pentes Guirec, about equal to St. Malo, but slightly inferior to Cherbourg.

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In general, however, St. Peter Port was rated as better than

Alderney, Jersey, Granville or

Guernsey.

About 30,000 visiting yachts

men and crew—a record gave a daily spending of £21.87 per yacht.

Of the spending of £255,000 was attributed to "present and other goods to take home."

Another £150,000 was spent on

yacht equipment, £134,000 on

provisions, £120,000 on eating

and drinking on shore, £27,000 on

entertainment and £10,000 on petrol and oil.

There were no criticisms of

the port's mooring and berthing

facilities, but a few visiting

crews felt that more washing

and lavatory facilities were

needed at the town marina.

In general, however, St. Peter

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Alderney, Jersey, Granville or

Guernsey.

At Lingfield's evening meeting,

where ITV will bring Southern

Television viewers the opening

two races, many racegoers will

be hoping to see Mr. Freddy

Laker's Take A Laker land the

Laker Airways Anniversary

Nursery (6.15).

Although he could well make

his presence felt, I cannot see

recent fourth-placed

Chil The Kite, Fellow and Claudio Nicols

Ayr's Land of Burns Stake

Despite the strong claim

the Finsdon colt I intend

with the lightly-weighted

market challenger Tutorial,

showed his liking for

course when getting up it

In the Day Hand

the locally-trained True

seems sure to be a short-p

favoured but disappointing

On Your Mark

by Dominic Wigal

Racing

BY DOMINIC WIGAL

Flattered, gave every indication

at Ascot that he would eventually

recoup his 16,500 guineas

purchase price with a bold front

running effort.

Displacing the lead from the

outset, Dinas Smith's colt looked

like a winner until a late challenge

from Peter Walwyn's highly

rated Welsh Pageant colt,

Avengarios, relegated him to

second place in the final 50

yards.

With the benefit of that race

behind him, Mandrake Major,

who will be ideally suited to

to-day's trip, is likely to prove

a threat for another once-raced

colt, Spring Dive, a respectable

fourth of ten in York's Unigol

Multimeter Stakes early last

month.

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The Financial Times Friday August 6 1976

Florence theatre

Rassegna internazionale

by WILLIAM WEAVER

One of the most rewarding and also least publicised theatre seasons in Italy is the annual *Rassegna Internazionale dei Teatranti*—a festival of the repertory companies now in its 11th year. Over the past decade it has brought to Florence young groups from virtually every country in Europe and several from Asia, Africa, and the Americas. In honour of the bicentennial, this year the Rassegna has concentrated on the United States, inviting several leading off-and-off-Broadway organisations to perform outdoors in the grounds of the Forte di Belvedere.

Told like this, the play must sound grim, documentary-like. Not at all. Lichtenstein's valid assistance of the songs by James Lytras knows just how to gauge his effects. A string of repeated banalities, concerned, say, with TV dinners, can become irresistibly funny, though they are actually defining a ghastly emptiness. And in the last part of the play (which is admirably concise, one long act), the wife's outspoken, four-letter cravvings make you laugh, even as you shudder.

Gordon Rogoff moves his action with a faltering, brio and sensitivity. Lewis and Howland Chamberlain as Mrs and Mr. Darling must be mentioned first.

Constantly on stage, they work in perfect synchrony, like an old vaudeville team (and they do, in fact, break occasionally into song and dance). But the other members of the cast—or rather, the team—are equally good: Martin Manak (the seductive milkman), Carol Laverne and Barbara Danish (each in two challengingly different roles), and James Lytras (who acts as well as plays the guitar and sings). Set, costumes and lighting are also the product of a group: Ralph Fetterly, Vanessa James, Michael Brill. Theirs is another major contribution to the general success.

The sexual fantasies of the elderly have long been derided, when not ignored, by authors. In hundreds of comic operas, the amorous old guardian is cleverly foiled by his young ward and her lover, as if the aged had no right to love, or, almost like Lichtenstein's sympathetic, honest play is essentially a pair of interlocking monologues in independent celebration of American independence.

Albert Hall / Radio 3

New Philharmonia

Prom-goers who went on Kovsky's "Pathétique" Symphony with as much good taste as their own free will to hear the "Pathétique" and the Sibelius Violin Concerto must have been foxed by the inclusion of Elizabeth Lutyens' "Music for Orchestra II". Indeed, universal astonishment would be in order: a less appropriate prelude to a historic orgy can hardly be imagined.

The Lutyens work, composed in 1962, is even-tempered, unorthodox, quietly intricate, purely musical; the listener is politely invited to follow material through a process of continuing transformation, not overtly punctuated until the validating coda. The scale of the music sounds too intimate for the hefty orchestra, which cannot be revealed as any kind of whole. Elaborate misdirection is called for even to make it seem to keep going; Ult Hoelscher tore into the solo part with energy enough if not faultlessly—but the music does not sound less threadbare merely through insistent brandishing of the G-string. The salon sentiments of the piece must somehow be made to tell, too. It is perhaps to Hoelscher's credit that he remained impervious above my such date-affection, but that it would have been better if he had played a different concerto.

DAVID MURRAY

Ole Schmidt conducted Chetham's Hall.

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Beer Merchant

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GOLD FIELDS GROUP
VOGELSTRUISBULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT 1976

The consolidated unaudited profit of the company and its wholly-owned subsidiary Scrububit Investments Limited for the six months ended 30 June 1976 is:

	6 Months ended 30 June 1976	6 Months ended 30 June 1975	Year ended 31 Dec. 1975
Income from investments	R'000 753	R'000 691	R'000 1,510
Profit on sale of shares	—	41	24
Sundry revenue	—	—	80
Less:			
Administration expenses	74	60	138
Amount written off investments	—	—	223
Profit before taxation	717	674	1,253
Transfer from deferred tax	—	—	2
Profit attributable to members	717	674	1,255
Earnings per share (cents)	4.7	4.4	8.2
Dividends per share (cents)	3.0	2.5	6.5
Amount absorbed (R'000)	460	383	996

NOTES ON THE RESULTS

Each listed investment is written down when the market value is below the book value at the end of a financial year. No provision is made in the accounts for the interim period, but the depreciation at 30 June 1976 was R54 000 (1975—R22 000). The changes in the book values since 31 December 1975, arise from the offer by the unlisted Kili Products Limited for the whole of the issued capital of The South West African Company, Limited, the shares of which are listed.

Particulars of listed investments	At 30 June 1976	At 30 June 1975	At 31 Dec. 1975
Stock Exchange value	11,652	10,910	11,132
Book value	5,978	6,579	6,807
Excess in Stock Exchange value	5,674	4,331	4,325
Particulars of unlisted investments	—	—	—
—book value	4,651	3,741	3,741

DECLARATION OF DIVIDEND
A dividend, No. 59 of 30 cents per share, has been declared in South African currency, payable to members registered at the close of business on 20 August 1976.

Warrants will be posted on or about 20 September 1976. Standard Conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom Register must be received by the company on or before 20 August 1976 in accordance with the above-mentioned Conditions.

The Register of Members will be closed from 21 to 27 August 1976, inclusive.

Registered and Head Office: On behalf of the board
Gold Fields Building,
75, Fox Street,
Johannesburg,
2001.

London Office:
49 Moorgate,
LONDON EC2R 6BQ.
5 August 1976

GOLD FIELDS GROUP**NEW WITWATERSRAND GOLD EXPLORATION COMPANY, LIMITED**

(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT OF RESULTS

The audited consolidated profit for the year ended 30 June, 1976, is as follows:

	Year ended 30 June 1976	Year ended 30 June 1975
Income from investments	2,544	2,994
Profit on realisation of investments	419	348
Profit on sale of mineral rights	3	1,197
Other income	89	80
Deduct:	3,055	5,199
Administration, prospecting and general expenses	312	313
Amount written off investments	585	423
Profit before taxation	2,158	4,776
Less:	69	878
Taxation	47	787
Minority shareholders' interest	22	91
Profit attributable to members	809	809
Dividends declared	2,080	2,311
February 7.0c (7.0c)	809	809
August 11.0c (13.0c)	1,271	1,502
Profit retained	9	1,597
Earnings per share—cents	18.1	33.7
Times dividend covered	1.0	1.7
Net asset value per share—cents	255	375

These results are published in advance of the annual report which will be circulated to members in September 1976. The lower gold price has had an adverse effect on the company's results as is evidenced by the lower dividend income. In line with the company's policy to write down each of its investments with a book value in excess of stock exchange value at balance sheet date to such stock exchange value an amount of R585,000 was written off investments at 30 June, 1976.

DECLARATION OF DIVIDEND
Dividend No. 51 of 11.0 cents per share in respect of the year ended 30 June, 1976, has been declared in South African currency, payable to members registered at the close of business on 20 August, 1976. Warrants will be posted on or about 27 September, 1976.

Standard Conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.

Request for payment of the dividend in South African currency by members on the United Kingdom Register must be received by the company on or before 20 August, 1976, in accordance with the above-mentioned Conditions.

The Register of Members will be closed from 21 to 27 August, 1976, inclusive.

London Office: 49 Moorgate, EC2R 7BQ.
United Kingdom Registrar: Lloyds Bank Limited, Registrar's Department, Goring-by-Sea, Worthing, WEST SUSSEX, BN12 6DA. 5 August 1976.

By order of the board,
C. E. WENNER,
H. J. GREEN,
Joint London Secretaries.

**A ROYAL PATRIMONY
THE PRADO MUSEUM AND SPANISH HISTORY**

by Jan Read

'Perhaps no museum is more closely linked with the politics and overseas adventures of its country's rulers than the Prado in Madrid.'

An article in the AUGUST issue

HISTORY TODAY
Now on sale 50p, or by subscription £6.70 per annum, from The Manager, Bracken House, Canaan Street, London, EC4P 4BY.

EUROPEAN NEWS
ITALIAN COMMUNISTS AGREE TO ABSTAIN

A new balance

BY ANTHONY ROBINSON IN ROME

AFTER STUDYING the 30-page Government programme announced by Prime Minister Giulio Andreotti, the Communist Party has formally announced its decision to abstain in Parliament and thus put an end to the pantomime of reluctance and uncertainty that has accompanied the party's public statements for two weeks.

The Communists have formally decided to abstain because of Italy's need to have a government in actuality after months of caretaker administration and because a series of anti-Communist barriers have fallen during the six weeks since the elections.

The first sign that the Christian Democrat Party, which has formed the minority Government under Sig. Andreotti, recognised that the new balance of parliamentary forces required concessions was the agreement leading to the election of Communist Piero Ingrao as "Speaker" of the Chamber of Deputies with the aid of Christian Democrat votes, and the election of Christian Democrat Amintore Fanfani to the equivalent post in the Senate, with the aid of Communist votes.

Then came the election of seven Communists to chair important parliamentary commissions and ultimately the exclusion from the new Government of former Foreign Minister Mariano Rumor, former Treasury Minister Emilio Colombo, and the controversial Sicilian Minister Sig. Giovanni Gioia, who figured largely in the report of the anti-Mafia commission. The Communist Party has made known that it would not be able to support a government if these men were present.

However, the Communists had not all their own way but have accepted philosophically the enlarged list of under-secretaries. The number here rose from 38 in the old Government to 47, a reminder once again of the sort of pressure a Prime Minister is under from various factions as he forms his government.

With the Communists' formal abstention assured, the way is clear for Sig. Andreotti to form his Government, which in paper is the weakest ever—but which in fact is a Government that has the conditional support of all the political parties (with the exception of the Communists).

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As a result of these changes, which were announced by the UK, after consultations with the Commission earlier this year, the price guarantee system for exported ships was taken out of the general system for guaranteeing prices of capital goods exports, which was introduced early last year.

In addition, to satisfy the Commission's demands which were announced by the UK, after consultations with the Commission earlier this year, the price guarantee system for exported ships was taken out of the general system for guaranteeing prices of capital goods exports, which was introduced early last year.

The Commission has made it clear that in return for sanctioning the scheme, it expects the UK to phase it out within a relatively short time. No formal deadline has been set, but officials in Brussels have indicated that they would like to see it wound up by February next year, when the system is due to be reviewed by the UK Government and by which time the question of future ownership of the shipyards will presumably have been decided by Parliament.

The aim of the scheme is to protect shipyards from the competition of foreign yards.

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, August 5.

THE EEC COMMISSION has effects of large cost increases on construction contracts which would otherwise be unrecovable. The Commission's decision, which must in turn be approved by Governments of the Nine, follows the modification by the British Government of its original measures so as to bring them more closely in line with Community rules and policies on State aids to industry.

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TOKYO, August 5.

KAWASAKI Steel Corporation, deposits and an interest in the company which has so far taken the lead in overseas investment by the Japanese steel industry, signed a basic agreement for today for development of the Capemina iron deposit in Brazil, in co-operation with CVRD, the Brazilian state mining concern.

Kawasaki will be the leader of a group of Japanese companies which will hold a 49 per cent. stake in the S117m Capemina project. This is a far larger percentage stake than any Japanese company has previously held in an overseas iron ore development project, although the project itself is relatively small.

A spokesman in Tokyo said Capemina would be Japan's first "captive" source of iron ore in a foreign country, in contrast with the big ore developments in Australia where Japan has taken only a small minority stake.

Kawasaki has made the move partly because Capemina provides a convenient ore source for the projected Tabarao integrated steel plant in which Associated Newspapers holds a 12 per cent. interest, has posted a \$20-a-ton rise in newsprint prices (30 lbs basic weight) in Canada and the U.S., effective from November 1.

Prices go to \$381 in Canada and \$305 in the Eastern U.S. The company blamed continued upward cost pressures, and other factors, for the rise. Dresdner attributes the fall in DM8.7bn. to DM3.6bn. for the exports to Europe by these period to the end of May.

U.S. newsprint prices to rise

By Our Own Correspondent

MONTREAL, August 5.

CONSOLIDATED BATHURST, the major eastern Canada pulp and paper producer, in which

E. Germans kill Italian at border

RONN, August 5.

ALREADY strained relations between West Germany and East Germany seemed certain to deteriorate further to-night after the East German news agency revealed that an Italian, Benito Corgi, had been shot and fatally injured on the frontier between the two parts of Germany.

The incident comes less than two weeks after a West German from Hamburg was shot and wounded for walking on to East German territory on the West German side of

The death coincided with a

sharp exchange to-day between Government and Opposition in the Bonn Parliament about the Government's handling of the situation on the inter-German frontier. Conservative opposition, the CDU, has insisted that Chancellor Schmidt is too soft with the East Germans.

Reuter adds from Rome: The Italian Foreign Ministry said it has sent a stiff Note to the East German Government. A

Ministry spokesman said the Note expressed the profound

regret of the Government and demanded a full investigation.

Sismik One

sails on

new venture

BY OUR OWN CORRESPONDENT

MADRID, August 5.

MEASURES designed to shore up Spain's sagging economy, it is hoped, will deal with the weaknesses of the economy piecemeal as need arises, rather than presenting a full-scale economic plan to the Cortes (Parliament). The new Finance Minister, Sr. Carriles, has unveiled

two economic decrees, approved at the last Cabinet meeting, which does not require the Cortes approval. Sr. Carriles

approves discretionary credit facilities of Ptas 24,000m. (about £120m.) to be used by the Government for a wide range of projects, including subsidies for some Spanish farm and fishing

The Suárez Government last week scrapped its economic action plan drawn up by the former Minister of Finance, Sr.

Greek visit

Dutch Foreign Minister Mr. Max van der Stoel will visit

Athens on Monday for talks in his capacity as President of the EEC Council with President Constantin Karayannidis.

The talks will cover subjects in connection with the upcoming negotiations into the Common Market.

OVERSEAS NEWS

China: economic disaster emerging

BY A SPECIAL CORRESPONDENT

Today before PEKING has become a city-free zone, a handling of pollution, the sky is clear blue. The interior and from Tienan Men square to the west of the city, its wide open spaces now covered with tent households, the CDR, has imposed with tent households, the East German hills, normally hidden from view, obscured by smoke and the outside. Millions of families, are already discernible.

A staff Note in Peking's earthquake alert Government continues and an increasingly popular slogan is "Clean up the city, face the government pavements of the city, face a full investigation working well below capacity".

The consequences to the Chinese economy of the deviation of the July 28 earthquake in the capital between Left-wingers and Right-wingers in the party was beginning to move. It was adverse effect on the production targets of the ambitious five-year Plan already into its eighth month. That is if it had been indicated that it would have been formally launched

and has indicated placement as all.

Though there has been no official statement on the damage given by the Chinese, there is little doubt

that the Kuanlin coalmines just

not far outside the earthquake epicentre

now, Sr. Compt. in Tangshan will be out of action

with the head indefinitely, if not for ever.

The mines produce an annual

promoting 100 million tons of coal. Kuanlin is one

market investment.

the Sino-European union which should total \$100 million next Monday, Sept.

3 of this year, as

international news and

Spanish foreign

level of only

on

LISBON, Aug. 6—Today Dr. Abdel Maguid,

the Egyptian Deputy Minister of

negotiation to re-planning and author of the plan

industrial reform. The balance of payments

sector deficit of the developing countries

amounted to \$400m. in 1975

In consequence unless urgent measures are

taken, it will reach approximately

\$112bn. by 1980. Dr. Maguid

said it was "unusua-

ly" unattainable. This would be "unusua-

ly" unattainable. He added that "no mechanism

exists to remediate such magnitude can be envisaged

as it would be with any degree of realism

for the intensification of the flow of trade

between developing countries

and themselves, whereby their

dependence on the use of com-

mon currencies and estab-

lished capital markets would be

lessened."

Dr. Maguid said that a pay-

ments union for developing

countries would be a clear

ing route for growth.

Mr. Takeo Miki, who led

the anti-Lockheed

campaign launched earlier

in his campaign

had no time to

attend the Diet

on Aug. 14, were disclosed

in a second biggest faction and

who now holds the post of

Deputy Prime Minister, has not

been explicitly called for Miki to go

Mr. Fukuda did say yesterday

however, that he thought Japan's

conservative forces should make

available the facts of the Lock-

heed affair.

The anti-Miki movement which

surfaced early this week is being

more discreetly conducted than

the short-lived "dump-Miki"

move of last May. This time,

however, it appears that at least

three of the LDP's major fac-

tions could be involved, with

only two, those of Mr. Miki him-

self and of the Party Secretary-

General, Mr. Yasuhiro Nakasone,

still supporting Nakasone.

Mr. Fukuda is an extremely

cautious, as well as a highly

intelligent man, and was careful not to step down if any member

of his cabinet is found to have

been involved with Lockheed.

Mr. Miki has promised that he

will remain in his post

until the end of the year.

Mr. Fukuda is also

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AMERICAN NEWS

OECD ANNUAL REPORT

A favourable verdict on the U.S. economy

THE OECD returns a generally favourable verdict on the American economy in its latest annual report on the U.S., pointing out that the performance of the past 12 months has exceeded the expectations of a year ago. By the first quarter of 1976 both real GNP and employment had regained their pre-recession levels and inflation, partly due to temporary declines in food and energy prices, had been brought down to less than half the rate recorded in 1975.

Given the momentum of the recovery and the strength of forward-looking indicators, a continuation of significant output and employment growth can be expected during the 12 months ahead. Some acceleration of inflation from the rate experienced in the first few months of this year seems likely, since food and energy prices are turning up again, but in the absence of a sharp upsurge in commodity prices, inflation should remain well below last year's rate. The following extracts from the OECD's detailed forecasts for the U.S. economy in the period up to mid-1977.

Inflation

The sustainability of the upswing largely depends on future wage and price developments. Renewed price inflation would not only erode real personal incomes and depress consumer confidence, but would also entail rising interest rates and possible dislocation in financial markets. So far, the wage-price performance has

Prices

The rise in prices decelerated markedly in the first half of 1975 and steadied in the second half at around 7 per cent, if measured by changes in the GNP price deflator. The first quarter of 1976 saw a further fall in the overall rate of inflation to 3.1 per cent, annual rate but this was mainly due to the decline in food prices and a rollback of oil prices in

line with the decontrol schedule. The underlying trend, excluding food and oil, appears to have been 6.5 per cent. Accordingly, a re-acceleration of prices from the low first quarter rate seems inevitable once food and fuel prices stop falling. Moreover, the recent pick-up in material prices will affect final product prices.

However, over the forecast period taken as a whole the acceleration will probably be moderate as on present trends of wage and productivity the rise in unit labour costs is likely to slow down.

Demand and supply

A steady rise of real GNP at an annual rate or around 6 per cent is expected to continue. During most of 1976, the upswing is likely to be led by buoyant private consumption with a gradual shift to business fixed investment. Stockbuilding should continue to support the growth of output though at diminishing rates. More than half the increase in GNP may be met by higher productivity and longer working hours. Nevertheless, the implied 2.1 per cent (annual rate) growth of employment would exceed the rise in the labour force, resulting in a moderate fall in the unemployment rate to perhaps some 6.5 per cent by mid-1977.

Consumption

The wage-price outlook combined with an expected significant rise in labour input suggests a rise in household real

The rebuilding of stocks in the first quarter of 1976 assumed

disposable income of some 5 to 6 per cent (annual rate) during the forecast period. Purchases of durable goods, in particular automobiles, are likely to increase more rapidly through 1976 than real income, resulting in a gradual decline of the saving rate. In the first half of 1976 when durable goods purchases may stabilise at a high level, the saving rate may stop falling. As a result, increases in real private consumption would decelerate somewhat.

Investment

Business enquiries and movements of leading indicators convey rather mixed picture of prospective trends in business fixed investment. Though the strength and time pattern of the new investment boom is difficult to assess, there is no doubt that the pre-conditions for a sustained upswing are favourable.

Allowing for a likely pessimistic bias of investment intention surveys conducted at early stages of an upswing, it would seem reasonable to expect a continued though moderate acceleration of non-residential investment, with some acceleration in residential investment, with a volume possibly rising at annual rates of around 15 per cent in the first two quarters of 1977. Even on this assumption, the rate of investment attained by mid-1977 would remain below the peak recorded in the first quarter of 1976.

Stockbuilding

The rebidding of stocks in

greater proportions than account the trend deterioration on transfer account, the current balance of payments may swing from a surplus of \$13bn. (annual rate) in the second half of 1975 to a deficit of \$7bn. or more in the first half of 1977.

Money supply

The long-term target rates for monetary aggregates, covering the year ending March 1977 have been lowered in response to the apparent downward shift of the money demand curve. The Secretariat forecast thus, assumes a normal cyclical pattern of stockbuilding implying that the ratio of real inventory formation to GNP would change little from its first quarter 1976 level.

External balance

Given the world trade outlook as presented above and the—on cyclical grounds—unfavourable commodity structure of U.S. exports, merchandise exports are expected to increase relatively slowly during 1976, followed by some acceleration in the first half of 1977. In contrast, the volume of imports is likely to rise very sharply in the first half of 1976, restoring normal relationships between the level of real output and imports. Consequently, marked slowdowns in imports seems likely after mid-1976. As a result, real net exports, including services, are expected to decline significantly during the first half of this year, stabilising thereafter. The marked improvement in terms of trade recorded during 1975 will probably be reversed somewhat during the forecast period. Taking into

Republican moves to block Connally gather strength

WASHINGTON, August

BY DAVID SUCMAN

THE MOVE to keep Mr. John Connally on the Republican ticket gathered strength today when Senator Robert Griffin, which reflects widespread support for Mr. Ford's home state, Michigan, added his voice to those who question the political wisdom of Mr. Ford had asked the President to choose the Texan, tried and reviewed the Watergate tape. Acquitted last year of taking reference to Mr. Connally bulk fund buster while he was Secretary of the House Treasury.

Mr. Connally, said to be a strong Vice-Presidential contender in Mr. Ford's mind, has reacted sharply to what he calls "a vicious, malicious distortion of the truth." Showing the sort of spirit that so endears him to some sections of the party may be too tied to him to make a political comeback. Mr. Jimmy Carter, who only joined two years ago, Mr. Connally said yesterday to the New York Times that the Republican ticket must go on the attack against the Ford to Mr. Nixon may be a tactical mistake.

It may be that Mr. Carter may be too tied to him to make a political comeback. Mr. Jimmy Carter, who only joined two years ago, Mr. Connally said yesterday to the New York Times that the Republican ticket must go on the attack against the Ford to Mr. Nixon may be a tactical mistake.

INTERIM STATEMENT

ANGLO AMERICAN COAL CORPORATION LIMITED

(Incorporated in the Republic of South Africa)

REPORT FOR THE HALF-YEAR ENDED 30TH JUNE 1976 AND NOTICE OF DIVIDEND DECLARATION

The following are the unaudited consolidated results of the company and its subsidiaries for the half-year ended 30th June 1976 together with comparative figures for the half-year ended 30th June 1975 and the results for the year ended 31st December 1975. These should be read in conjunction with the notes below.

	Half-year ended 30.6.76	Half-year ended 30.6.75	Year ended 31.12.75
R'000	R'000	R'000	R'000
Group profit before taxation	13 754	9 831	17 285
Coal mining and coke production	2 250	2 932	6 036
Refractory sales and associated production	(188)	(71)	978
Property sales and investment income less interest paid and administration expenses	13 816	8 782	24 279
Deduct: Provision for taxation	2 584	2 078	5 394
Group profit after taxation	13 232	6 714	18 885
Less: Profit attributable to outside shareholders in subsidiary companies	1 433	2 947	3 122
	11 799	3 767	15 763
Less: Interim dividend paid to outside shareholders of companies which are now wholly-owned subsidiaries of Amcoal	—	—	897
Profit attributable to shareholders of Amcoal	11 799	3 767	14 866
Number of 50 cent shares in issue	23 491 438	11 000 000* 23 491 438	
Earnings per share	50.2 cents	34.2 cents	63.3 cents
Dividends per share	15.0 cents	11.25 cents	23.5 cents
"Equivalent to the 2 750 000 stock units of R2 each then in issue.			

* Equivalent to the 2 750 000 stock units of R2 each then in issue.

Notes:

- Because of the substantial expansion of the group by acquisitions undertaken in 1975, a true comparison of the figures for the half-year under review with those of the half-year ended 30th June 1975 is not possible.
 - The rate of taxation liability for the half-year under review is lower than in the comparative periods shown above because of capital expenditure allowances in certain of the coal mining subsidiaries.
 - Estimated net commitments for capital expenditure for the group are as follows:
- | 30.6.76 | 30.6.75 | 31.12.75 | |
|--------------------------------------------------------------------------------------------------------------------|------------|------------------------|------------|
| R'000 | R'000 | R'000 | |
| Group profit before taxation | 13 754 | 9 831 | 17 285 |
| Coal mining and coke production | 2 250 | 2 932 | 6 036 |
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| Deduct: Provision for taxation | 2 584 | 2 078 | 5 394 |
| Group profit after taxation | 13 232 | 6 714 | 18 885 |
| Less: Profit attributable to outside shareholders in subsidiary companies | 1 433 | 2 947 | 3 122 |
| | 11 799 | 3 767 | 15 763 |
| Less: Interim dividend paid to outside shareholders of companies which are now wholly-owned subsidiaries of Amcoal | — | — | 897 |
| Profit attributable to shareholders of Amcoal | 11 799 | 3 767 | 14 866 |
| Number of 50 cent shares in issue | 23 491 438 | 11 000 000* 23 491 438 | |
| Earnings per share | 50.2 cents | 34.2 cents | 63.3 cents |
| Dividends per share | 15.0 cents | 11.25 cents | 23.5 cents |
| "Equivalent to the 2 750 000 stock units of R2 each then in issue. | | | |

Last month's intervention to support the dollar was the largest since the Central Bank bought \$US320m. in January and \$US278m. in February, in an attempt to slow the strengthening of the Canadian dollar at that time because of large capital inflows.

While the Central Bank says that it intervenes only to maintain orderly market conditions, its transactions over time can affect the exchange rate. The latest figures show that U.S. dollar reserves amounted to \$3.75bn. on July 31, down from \$3.83bn. a month earlier.

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Outstanding orders on capital expenditure contracts Projects approved by the boards but not contracted out

out

22 653 12 567 33 272

22 325 31 937 4 368

44 978 34 504 37 640

Comments

1 Financial requirements

The group has so far arranged for the raising of medium and long term loans totalling R\$2 million to repay short term loans and towards meeting its forecast financial requirements, of which part is represented by the existing net capital commitments of R44.978 million referred to above.

2 New export business

Investigations into the export of steam coal for the group's own account have reached an advanced stage and a decision will be made in the near future. Consideration continues to be given to the best means of raising the additional finance required for this business should it go ahead.

3 Price increase

On 2nd July 1976 the Price Controller authorised an increase of 22.6 cents per ton in the domestic price of bituminous coal in the Transvaal and Orange Free State. This substantial increase will have a material effect on the profitability of group mines selling coal through the Transvaal Coal Owners Association, but it must be emphasised that these companies will have to retain a considerable proportion of profits to fund expenditure on facilities both to meet the demand for coal on the domestic market and to achieve higher levels of extraction of reserves.

4 Results for the year

Results achieved for the half-year under review were better than expected. In addition because of planned increases in sales output for both the export and domestic markets and of the price adjustments announced on 2nd July, it is forecast that group earnings for 1976 will exceed the total of 108 cents a share published in the merged documents in November 1975.

For and on behalf of the Board

W. G. Boustred | Directors

G. W. H. Reilly

P. A. August 1976

DECLARATION OF DIVIDEND NO. 106

Notice is hereby given that dividend No. 106 of 15.0 cents per share, being an interim dividend for the year ending 31st December 1976, has been declared payable to members registered in the books of the company at the close of business on 20th August, 1976.

The transfer registers and registers of members will be closed from 21st August to 3rd September 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretary on or about 14th October 1976. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on 5th October 1976, of the rand value of their dividends less appropriate taxes. Any such members may, however, elect to be paid in South African currency, provided that the request is received at the office of the company's transfer secretaries in Johannesburg or the United Kingdom on or before 20th August 1976. The effective rate of non-resident shareholders tax is 15%.

The dividend is payable subject to conditions which can be inspected at the Head and London Offices of the company and also at the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the Board

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Secretary

H. B. Stacey

Senior Divisional Secretary

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In the year to 31st January, 1976 pre-tax profit improved to £403,855 (1975—£341,049) on turnover for United Kingdom companies up from £28.0 million to £32.9 million.

Accelerated payments on the disposal of the Israeli subsidiary were negotiated. This transaction is now complete and the net surplus of £116,508 has been shown as an extraordinary item.

Payment of dividend arrears up to 31st January, 1976 and a payment for the six months to 31st July, 1976 has been made to the (first) preference shareholders. This allows the board to commence payment of the dividend arrears on the second cumulative preference shares as soon as circumstances permit.

Revenue reserves now stand at £296,330 which contrasts with a negative balance of £4,637 at 31st January, 1975.

The Engineering Services Division improved on budgeted expectations. With the exception of the electronics company, the Industries Division improved its performance and the volume of orders is beginning to increase. The Transmission Division has continued to be active in Iran and Nigeria in addition to the United Kingdom.

The building industry, apart from being sensitive to cuts in public expenditure, traditionally lags behind in recovery situations and the Group is looking to the process industries and overseas markets for its immediate prospects.

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PARLIAMENT



Lonrho attacked by Left

Rowland phone threat
alleged by Labour MP

BY JOHN HUNT

Diamond stays as inquiry chairman

BY PHILIP RAWSTORWE

LORD DIAMOND is to continue as chairman of the Royal Commission on the Distribution of Income and Wealth until July 31, 1978.

Announcing the year's extension to his current term of office, the Prime Minister said that Lord Diamond's appointment would change from full-time to a four-day week and his salary would be reduced from £16,350 to £13,263.

Other members of the Royal Commission re-appointed until 1978 are Sir Nevill Butterworth, Professor John Gove, Mr. David Lee and Mrs. Dorothy Wedderburn.

Three members, Professor Sir Henry Phelps Brown, Mr. R. A. Fox and Mr. George Doughty, have been re-appointed until July 31, 1977, and Mr. Leslie Murray until December 31, 1976.

The Commission published its report on higher incomes from employment in January this year and a reference on lower incomes was put to it in June.

Tory leader challenges on jobless

THE PRIME MINISTER yesterday refused to give projected figures of the number of jobless for the rest of the year—and ran into a furious reaction in the Commons from Mrs. Margaret Thatcher, Opposition leader.

Mr. Callaghan had repeated Chancellor of the Exchequer Mr. Denis Healey's earlier statement that unemployment should be going down by the end of the year.

"We must monitor the figures quarter by quarter, but it is my hope and expectation that the Chancellor's figures will prove to be right," he said.

Mrs. Thatcher angrily pointed out that Mr. Healey had refused to give any figures. "Was the Prime Minister saying that he had not informed himself about one of the most important statistics?"

Mr. Callaghan replied that statistics could cancel each other out. Many forecasts had been proved to be wrong in the last few months.

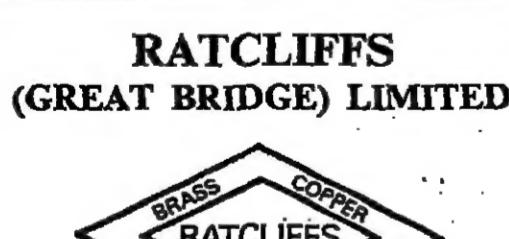
Callaghan regrets police chief's departure

THE PRIME MINISTER said easier to complain against the police."

Mr. Callaghan told the House that he had a high admiration for Sir Robert. He had always valued his opinion on many things, but this issue had been discussed and decided by the Commons.

The police had a right to some special protection because of the case with which complaints could be made against them. "But I do not believe that when Peel has been obliged to this legislation is in operation because the Government is determined to spend £1m. of taxpayers' money on making it Minister added.

INTERIM STATEMENT



INTERIM REPORT TO SHAREHOLDERS 1976

The unaudited group earnings for the six months to 30th June were as follows:

	Half year to 30.6.76	Half year to 30.6.75	Full year 1975
Group Sales	£18,450,600	£13,185,000	£28,496,600
Earnings Gross	£620,500	£198,000	£229,100
Estimated taxation ...	£300,500	£95,000	£339,500
	£220,000	£103,000	£389,500

Increased sales have resulted from a combination of higher output and metal prices and by conversion of Canadian subsidiary sales into sterling at lower exchange rates prevailing. We have had a satisfactory first half and prospects for the rest of the year remain encouraging.

With a view to reducing the disparity between interim and final dividends your directors have declared an interim dividend for the year to 31st December, 1976, of 6.65p per share on the ordinary shares (1975—0.525p). This will be paid on 1st November to all shareholders on the register on 31st August, 1976.

F. R. Ratcliffe,
Chairman

August 6th, 1976.

Lonrho attacked by Left

Rowland phone threat
alleged by Labour MP

BY JOHN HUNT

LEFT-WING Labour MP Mr. Brian Sedgemore (Luton, W.) alleged in the Commons last night that Mr. "Tiny" Rowland, chief executive of Lonrho, had telephoned his home last Friday and threatened to "get or do me" because of an attack which Mr. Sedgemore had made on the company in a Commons committee the previous day.

Mr. Sedgemore said that Mr. Rowland had also threatened to take legal action against him.

He told the House that his wife, who took the call in his absence, interpreted this as meaning that Mr. Rowland "would do all in his power to seek to ruin me and would not be very busy about the method he would use."

The matter was raised by Mr. Sedgemore in the traditional series of short debates which precede the recess when MPs can raise almost any subject.

In a similar debate earlier in the day, the Left wing had mounted a furious attack on Lonrho, the source of the alleged phone call was referred to. On the strength of this another Left-winger, Mr. John Lee (Lab., Handsworth) declared: "I am now justified in calling Mr. Rowland a bully."

Mr. Lee said that in view of the report on the company by two inspectors of the Department of Trade, the Government should now take proceedings under the Companies Act for the winding up of the group.

During the debate, strong attacks were also launched on Lord Duncan Sandy, formerly Mr. Duncan Sandy's chairman of Lonrho.

Replies, Mr. Stanley Clinton Davis, Under-Secretary for Trade, claimed that a deliberate campaign had been started to blacken the name of the two inspectors who reported on the company. He defended them as having discharged their inspection with conspicuous fairness.

Mr. Sedgemore said that his wife took the phone call.



MR. BRIAN SEDGEMORE

His wife took phone call.

The Minister also told MPs that company law might have to be tightened up in some respects such as the duties of directors and the way in which public companies were run.

During the debate, Mr. Edward du Cann (C., Taunton), a director of Lonrho, defended the company. But Mr. Davis complained that Mr. du Cann, in his entire speech, had not found it appropriate to bring a whisper of criticism against the company.

Opening his attack later, Mr. Sedgemore said he had contacted the clerk to the Commons Privileges Committee about the telephone call and had told him that he deserved his position in the batter. Mr. Sedgemore added that he would not take action on the question of privilege unless the threats against him were carried out.

He declared: "I have no objection to eccentricities. All the world loves eccentricities. But most

people object to eccentrics who use other people's money and other people's wives for their immoral purposes."

Mr. Sedgemore said that Mr. Rowland had commented that Mr. Rowland was not the sort of man who would "make this sort of statement or do this sort of thing."

But the Lonrho report recorded a telephone conversation between Mr. Angus Ogilvy and Mr. Rowland in which Mr. Rowland had said "you have let me down. I will absolutely crucify you."

Mr. Sedgemore said the Commons ought to consider whether attempts to block free speech were going to be effective. "There is some suspicion that believe that with money comes power and that with the combination of money and power they can do anything—they can stand above and beyond the law, Parliament and free speech."

"I do not believe this House thinks that is right."

Mr. William Hamilton (Lab., Fife Central) referred to the "cesspit of Lonrho. They are a bunch of crooks running Lonrho who ought to be in Brixton Prison—every one of them."

"They have been breaking sanctions all these years and they are in cahoots with the South African Government."

If the Conservative MP Mr. Iain Spratt came back after the recess with a list of unemployed people having their holidays in Spain, this should be compared with the names and addresses in the Lonrho report," at the other end of the social scale."

Mr. Ian Evans (Lab., Aberdare) said the Lonrho report read like an Agatha Christie novel. It was a tremendous publication not available to the general public because it cost too much.

He suggested that a popular paperback version should be produced.

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Price rules must be simpler

—Minister

Financial Times Reporter

THE NEED FOR simplifying the Price Code has been recognised by Mrs. Shirley Williams, Secretary for Prices and Consumer Protection.

In a letter replying to comments made by the accounting bodies, Mrs. Williams says she shares their desire for a simpler form of price control and argues that all concerned with prices policy after the present powers expire next July must keep the need for simplicity very much in mind.

The Department has replied to detailed comments submitted by the Consultative Committee of Accountancy Bodies. The areas covered include interest, stock levels, acquisitions, appeals, depreciation, investment relief and safeguards, and refer to the changes made in the new code published last month compared with the initial consultative document.

Mr. Sedgemore said that the Lonrho report recorded a telephone conversation between Mr. Angus Ogilvy and Mr. Rowland in which Mr. Rowland had said "you have let me down. I will absolutely crucify you."

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Jenkins names EEC officials

By Philip Rawstorne

MR. ROY JENKINS, Home Secretary, yesterday announced that he would appoint Mr. Crispin Tickell, a former Foreign Office official, as his Chef de Cabinet when he takes over as President of the EEC Commission in January.

Mr. Tickell, who has recently

agreements between Government and industry are likely to follow an end,

the Department of Industry visiting to companies to help which are part of the overall make aware of export reduction in the civil service over the next three years.

Similar cuts of about 35 staff responsible for promoting exports are also planned in the Department of Trade, which is

to provide a total of just over 500 reductions in manpower.

This will lead to delays in the

registering of new patents as well as abolishing completely the

register of business names.

A cut in the planned growth of the insolvency service of some 73 posts will be carried out although there has been a record number of business failures over the past year.

The 35 fewer staff from the

Department of Prices and Consumer Protection will lead to less enforcement of hire pur-

chase control and means that

only one or two foot subsidies

will be administered by 1978-79.

Members of the Society and the Civil and Public Services Association in all three depart-

ments are banning overtime and refusing to carry out new work without a corresponding increase in staff.

To the civil servants' threat to "black" the new Aircraft and Shipbuilding Industries Bill has been avoided

because of its importance to the trade union movement.

Delegates will then be given

information on such tech-

niques used by the Left as the

"packing" of meetings b-

spreading their supporters

around the hall to give the

impression of widespread sup-

port, as well as methods used to "fix" union elections.

Mr. John Bowes, head of the

Conservative trade un-

ion department which is master-

mind of the party's campaign

said yesterday that the coun-

try would give trade unions an

opportunity to exchange knowl-

edge gained in their parties

and provide feed-back of information to future Tory strategy.

Earlier this year, the TUC

came in for considerable cri-

cism from trade unions over

the party's publication of a

list of "moderate" candida-

tives standing for union election

in the private affairs of trade

unions.

The TUC seeks a meet-

ing with Mr. Fred Mulley, Educa-

tion Secretary, to urge more finan-

cial assistance for people to stay at school after 16.

Outlining the Government's

latest measures to help redu-

youth unemployment early

this week, Mr. Albert Root,

Employment Secretary, said to

young people would be ad-

vised to continue their edu-

cation if they have not found job

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Tel: 01-226 4128 (Editorial), 01-226 4128 (Advertisement)

FRIDAY, AUGUST 6, 1976

A funny way to make cuts

SOME SURPRISE has been expressed at the coolness of the measures accorded to Mr. Healey's July package, even by those who had called for a 1978. A further answer disclosed that such a reduction would have an ultimate contractionary effect on employment of a little under 1 per cent. This is equivalent to just under 230,000. As the registration rate of workers is estimated at about three-quarters, the ultimate effect on unemployment might be about 170,000. This is a little below the projected Public Sector Borrowing requirement for the next financial year of £9bn. It is probably as good a target as one can formulate at this stage, bearing in mind that the figure gives a greatly exaggerated idea of what would be called the Budget deficit in most other countries. If one is still anxious about the effect on the internal and external value of the pound it is because the new fiscal target has not been accompanied by any equally firm and unconditional monetary objective.

Presentation

But it is simply not good enough to judge the package by its global arithmetic. The background and manner of presentation do matter. In April the Chancellor announced discretionary tax reliefs of nearly £1bn, conditional on an incomes policy agreement with the TUC. The gamble of taking a risk with the Budget for the sake of incomes policy was widely criticised at the time. But it has failed earlier than the severest sceptics could have expected; and the Chancellor is taking away in the form of tax increases and expenditure cuts, with effect from 1977/78, nearly twice his earlier reliefs. Anyone can make a misjudgment. But instead of admitting it and pondering on the lessons which followed, Mr. Healey presented his policy reversal as if it were a fresh triumph in a preconceived strategy. That the Opposition allowed him to get away with it is neither here nor there.

The economic arithmetic of the package is also looking rather different in the light of some recent Parliamentary Written Answers. A Treasury Minister, Mr. Denzil Davies, dis-

Generalised

The moral of the episode applies not only to the Chancellor but to groups such as the Conservative and the CBI, who called in an excessively generalised way for public spending cuts. Now they have learned the hard way that the statistical total of public spending is by no means the same thing as the size of the public sector. Public spending per se do not provide "less government," a more market-oriented economy or even fewer people working in State enterprises; and it is misleading to pretend that these ideas are anonymous.

Trying to err on the safe side

THERE ARE two principal reasons, both intimately con- the case of the U.S., where the need with the rapid pace of business recovery is proceeding recent inflation, why economic well and helping to pull up the forecasters are hedging their rest of the world behind it. In yesterday's report on the U.S. economic outlook, the OECD mentions number of these uncertainties, all of which derive from the fact that relations which have held good in the past may not do so immediately after a period of rapid inflation. The readiness of consumers to spend and of manufacturing industry to invest in new plant, for example, depend greatly on inflationary expectations. The demand for higher wages will rise as the recovery proceeds—especially as there are a number of major settlements to be reached in the U.S. this year—but may be held in check by the fact that unemployment, there as elsewhere, is unlikely to fall rapidly to previous levels.

Spares capacity

While the balance of fiscal policy rests with the normally unpredictable behaviour of Congress, the use of monetary policy as a regulator is made more difficult by the fact that the demand for money itself depends on the present and expected rate of inflation. And the usual measures of idle capacity, which in the U.S. as elsewhere are used as a gauge of the extent to which output can rise without strain, are regarded by the OECD with particular scepticism. Just as structural changes in the composition of the labour force have helped to raise the practical minimum level of unemployment, so structural changes of other sorts have created a situation, according to the OECD, in which the latest Federal Reserve figure of capacity utilisation "certainly overstates" the degree of unused capacity. It is certain danger that such conscious collaboration, by urges the U.S. to err on the safe side by adopting a slightly more restrictive fiscal policy. Since the same possibility of overstatement exists elsewhere, however, there is a possibility that countries in a stronger position will take such advice of ill-health gave way four months ago to Michael Abbott.

Uncertainties

In such a situation, where all governments are intervening more actively than usual to bring about a certain, abnormal course of affairs, the need for skilful management and the danger of precise forecasting are self-evident. There is even a certain danger that such collaboration, by bringing the business cycles of different countries into closer harmony with one another, will work against its own objectives. But in each country—and this is the other reason for hedging one's bets—there are greater uncertainties than usual in forecasting the course of events.

Tate and Lyle's takeover bid for Manbré and Garton raises questions which are central to the operation of monopoly laws in this country. Colin Jones reports.

Merger to test the fair trade policemen



Mr. Simon Tate of Tate and Lyle (left), Mr. Gordon Borrie of the Office of Fair Trading, and Mr. Frank Smith of Manbré and Garton (right).

TATE AND LYLE'S bid depends not upon the interested groups, including Manbré shareholders but upon Mr. Gordon Borrie, the Director of Fair Trading. As chairman of the interdepartmental mergers panel, it is his job to advise Mrs. Shirley Williams, the Prices and Consumer Affairs Secretary, whether or not to refer the bid to the Monopolies Commission.

The decision whether to refer the bid to the Monopolies Commission will be crucial, for several reasons. In the first place, this will be the first major proposed merger to have come the OFT's way since Mr. Borrie took over Whitehall with an array of arguments against the proposed merger. A formidable group of sugar user trade associations—claiming to represent nearly half the market for

other day, although he did not say whether the degree of competition implicit in both sets (and, at the present time, a change rate changes) import especially in glucose, are to be sought, and it is only in the light of these representations that an authoritative opinion can be formed.

Indeed, the present occasion is a very good example of why take-over bidders—and for that matter the OFT, too—should always treat advance clearances with caution. Manbré's own response has been vigorous. It has showered the OFT and Whitehall with an array of documents encouraging the proposed mergers which have been referred in the past six years have been abandoned on the spot—and half of those which were eventually approved by the Commission have never been consummated, so although formally Mr. Borrie is not required to pre-judge the public interest aspects, a very great deal will rest upon his advice. Indeed, one could say that his "pre-trial hearing"—if one can call it that—will be the decisive stage from the point of view of monopoly policy.

He is not to be envied, it must be said. The traditional attitude by U.K. fair trade policy towards mergers is one of neutrality. A reduction in competition has never—up to now, at any rate—been regarded as bad in itself. It depends upon the particular circumstances and upon the overall balance of possible detriments and benefits which might ensue from the proposed merger. In some instances the acquisition of a virtual 100 per cent. monopoly has been upheld while the acquisition of a market share of 50 per cent. or less has been vetoed. It depends upon the resulting competitive structure and upon the likely effects on prices, the pressure for efficiency and innovation, and so forth.

It is not sufficient, therefore, for Manbré to argue that if Tate and Lyle were successful in its bid, it would have a dominant position in the industrial market for both sucrose and glucose sweeteners as well as for starch.

As it happens, the figures Manbré has been producing are to some extent disputed by other companies in the business. The table therefore shows two different sets of figures for market shares in glucose and starch. As both estimates are for next year and as the pattern of final output from integrated wet-milling plants (which produce starch and, after further processing, modified starches and glucose products) will depend upon the balance of market demand, the differences between the two estimates are perhaps understandable.

The important consideration

STARCHES AND SWEETENERS

Estimated market shares by volume

	Sugar	Glucose	Starch			
	A	A	B	A	B	
	1977	1977	1977	1977	1974-5	1978
Tate and Lyle	44	6	5	5	%	%
Tunnel *	—	24	18	4	13	17
Tunnel Avebe **	—	—	—	24	13	17
Tate and Lyle	44	30	23	28	13	17
Manbré & Garton	15	20	18	23	18	16
Total	59	58	41	51	31	33
British Sugar Corp. 12	—	—	—	—	—	—
Corn Products	—	31	32	32	33	33
Ablion/KSH	—	16	16	9	16	21
Other (imports)	9	8	10	8	15	12
	100	100	100	100	100	100

* Estimates by Manbré and Garton

** Estimates by Tunnel and Avebe

and Lyle bid. If this earlier sweeteners have come out view were now to be reversed, against it. And the OFT has it would be the first occasion in been given very good reason for 11 years of merger control in believing that, if the bid should go through, then National Starch, the U.S. starch producer, which is in partnership for both sucrose and glucose sweeteners as well as for starch.

Indeed, on this occasion the OFT specifically chose not to commit itself to a market, would seriously consider withdrawing for fear that

Staley, its principal U.S. rival and Tate and Lyle's partner in Tunnel, might thereby gain

indicating that it had been given the green light.

There is one very good reason, however, why the OFT always qualifies its guidance to take-over bidders. It is only after their bids have become public knowledge that the views of their victims and other

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As it happens, the figures Manbré has been producing are to some extent disputed by other companies in the business. The table therefore shows two different sets of figures for market shares in glucose and starch.

Both starch and glucose sweeteners have been accustomed to shopping around, playing off one supplier against another. Moreover, since Corn Products is strongest in the food, brewing and paper industries of the north of England and Scotland while the other companies have their plants in the south (apart from Tate and Lyle's new glucose production unit in Yorkshire), the choice of supply in many parts of the country would be largely limited to one major supplier.

Reduction in choice

For starch and glucose, on the other hand, the rival arguments are more difficult to resolve. Manbré and user trade associations such as the Cake and Biscuit Alliance, the Cocoa, Chocolate and Confectionery Alliance, and the Food Manufacturers' Federation have come out strongly against the prospective reduction in users' choice. Most starch and glucose sweeteners have been accustomed to shopping around, playing off one supplier against another. More over, since Corn Products is strongest in the food, brewing and paper industries of the north of England and Scotland while the other companies have their plants in the south (apart from Tate and Lyle's new glucose production unit in Yorkshire), the choice of supply in many parts of the country would be largely limited to one major supplier.

VOTING NOTICE

to the holders of
European Depositary Receipts for
Common Stock of

Trio Kenwood Corporation

(Formerly Trio Electronics Inc.)

DESIGNED COUPON NO. 25

(Action Required on or prior to August 13th, 1976)

Chemical Bank, as Depository (the "Depository") under the Deposit Agreement dated as of May 1st, 1970, among Trio Kenwood Corporation ("the Company"), the Depository and the holders of European Depositary Receipts (the "Stockholders"), hereby certifies in respect of shares of Common Stock having a par value of \$0.10 per share, that the Stockholders of record as of August 13th, 1976, HEREBY GIVES NOTICE that the Custodian under such Deposit Agreement has received notice of a general meeting of stockholders of the Company to be held in Tokyo, Japan, on August 18th, 1976.

That notice, together with the notices of the general meeting to be given by the Company, shall be made available to be voted on at such meeting:

1) Approval of Balance Sheet as of May 20, 1976, Business Report Statement of Profit and Loss and proposed dividends of approximately \$0.05 per share for the year ended May 20, 1976.

Such notice and the report or reports to be delivered in connection therewith, together with English translations of such documents, will be available for inspection at the office of the Depository in London and the office of any of the following Sub-Depositories:

SUB-DEPOSITARIES

Chemical Bank,
Frankfurt/Main, Germany.

Banque Lambert-Luxembourg, S.A.,
Luxembourg City, Luxembourg.

Pierson, Heldring & Pierson,
Amsterdam, The Netherlands.

Voting rights under such Deposit Agreement may be exercised through the Depository by holders of Coupon No. 25 by completion of the form of proxy instruction to be given to the manager of the Depository in London or by the Depository or such Sub-Depository on or prior to August 13th, 1976.

In the absence of instructions by holders of Coupon No. 25, the Depository or such Sub-Depository will exercise the voting rights of the Stockholders of record as of August 13th, 1976, in accordance with the terms of the Deposit Agreement.

The Depository will endeavour to vote the Common Stock represented by such Deposit Agreement if such form of proxy instruction, properly completed and signed by the holder, is received from such holder to the Depository on or prior to August 13th, 1976.

In the absence of instructions by holders of Coupon No. 25, the Depository or such Sub-Depository will exercise the voting rights of the Stockholders of record as of August 13th, 1976, in accordance with the terms of the Deposit Agreement.

On August 6th, 1976.

CHEMICAL BANK, as Depository,
185 Broadway,
London, W.C.2.

20th May, 1976, has been established as the record date for the determination of the Stockholders of the Company entitled to notice of and to vote at such meeting. All Receipts issued in respect of Common Stock not entitled to be voted at such meeting will be without Coupon No. 25 attached.

Goodnight India
The BBC has decided, with reluctance, to close its office in Delhi. This bland announcement by the BBC yesterday comes just over a year after Mrs. Indira Gandhi, the Indian Prime Minister, introduced a state of emergency and Press censorship designed to gag all her political opponents. The announcement comes too only a month after a conference of non-aligned countries ended in Delhi with the adoption of a constitution for a Press agencies

Observer

J.P. 1976

POLITICS TO-DAY



Mrs. Shirley Williams: new pilot

Office of Fair Trading

use of transhipment, it the present is rate charged by the **EEC** which has gone up from Westminster as Parliament rises for the summer recess has assumed gale proportions this year. Even by the normal standards of the **EEC**, which are never much better than atrocious, Parliamemt has passed through an unusually poisons period.

However, behind the fog of battle and fatigue and bad tempers there is, as usual, a real balance of advantage to be discerned and in this case it probably lies marginally with the Opposition.

Looking at things from the Conservative point of view, one can see that the past few months have done wonders for the morale of the party. The loss of the Government's overall majority has been the key here.

It has not only enabled the Conservatives to make effective use of their powers at Westminster and whose stock in Whitehall, never very high,

is falling rapidly. These soft

weakened positions are now being quite

In devolved waters

effectively probed by the Opposition and at a time when the Government is putting through policies which are in any case unpopular with its supporters some real parliamentary initiative has been restored to the Conservative Party.

The Government itself has some consolidations. It was always obvious that the period between Whitlam and the summer recess would be extremely difficult. The great thing from Mr. Callaghan's standpoint is to have survived without major calamity and to have retained nearly all the legislation which it is thought necessary to pass as part of the social contract. The fact that the Tories have been on the rampage is in a sense a positive advantage, since it enables the faithful at the grass roots and in the working men's clubs to be regaled with the inspiring spectacle of a gallant band led by good old Jim clinging triumphantly to the principles of socialism in spite of every fury by the Hosts of Midian.

Nevertheless, at the end of the session, the Government are left with worse parliamentary problems to settle than the Opposition; and, as things look at present, their chances of producing more than partial solutions during the recess look fairly remote.

The most urgent and forbidding of the difficulties is the devolution question. On this subject opinion in the Cabinet has hardened noticeably in the last two weeks. The Prime Minister himself has evidently become persuaded, belatedly but in my view rightly, that the long-term future of the Government is at stake here—and in all probability the future of the U.K. as well. Ministerial dissenters and sceptics are now

reported to be receiving short make certain of its ground, it will have to soften up Conservative opposition to the Bill; and while I do not believe that there is any chance of a bipartisan radical has got to be done to about devolution, they at least have a chance of selling the English criticism of the Bill, package to the Labour Party Conference, the TUC, and English Labour MPs.

But the legislative problem does not get any easier. The Government managers apparently calculate that no more than 15 Labour MPs will vote against the second reading of the Devolution Bill, with perhaps another 15 abstaining.

The Scottish and Welsh Nationalists, they believe, will vote "Aye," and 10 or more Conservatives will do likewise. With the Ulster Unionists and Liberals solidly "pro," this gives an easy margin. If, as is not impossible, the Conservatives attempt to resolve their deep divisions on the whole subject by allowing a free vote on their prospect of change here, Labour would not only put itself in a constitutionally more

Unfortunately, almost none of the Government's hopes can be mollified by the Ulster Unionists, who claim they are underrepresented since the abolition of Stormont, and put the Conservative leadership on the spot.

The other big problem before supporting devolution, the Mr. Callaghan, is how to strengthen his front bench. Mr. Ray Jenkins will depart from

the Scottish Nationalists do not the Cabinet in September and want a Devolution Act for the Mr. Merlyn Rees will presumably come back from Ireland

but my impression is that Stormont, and put the Conservative leadership on the spot.

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COMPANY NEWS + COMMENT

East Lancs. Paper first-half loss £0.24m.

ON A TURNOVER down from £11.8m. to £10.73m., East Lancashire Paper Group incurred a loss of £240,000, against a profit of £708,000, in the first half of 1975.

Despite the adverse result, which the directors state, is no worse than anticipated, they believe that an improvement towards the end of the second quarter will be sustained in the second half year. Profit for the year 1975 was £1,248,812.

Although, as stated last April, sales turnover was beginning to improve, and a paper price increase became effective towards the end of the second quarter, the improvement came too late for earlier losses incurred to be recovered.

In addition, the soaring cost of obtaining dollars for the purchase of wood pulp totally eroded any profit which might otherwise have been generated, the directors explain.

A net 25p share for the half-year was 2.2p (earnings 0.2p) and the interim dividend is 1.17p net (same). Last year's total was 2.83p.

Half Year

Turnover	£m.	Pre-tax profit	£m.	Dividend	£p.
10.73	11.81	24.0	0.2	Total	1.17
Less before tax	2.2	708.0	0.2	Net	2.2
Tax	1.23	—	—	Outstanding	0.2
Preference div.	4	—	—	Dividends	0.2
Attributable loss	119	324	—	—	—
Dividends	1.17	—	—	—	—
Total	1.17	—	—	—	—
Froth. 1/4 charge	—	—	—	—	—

Profit. 1/4 charge. Outstand. holders.

• comment

Losses at East Lancashire Paper are due to misjudgement of the currency market as well as weak demand for its paper products. It had not bought forward cover in April at the time of the rapid fall of Sterling. Now, however, it has bought

forward for the next six months. Meanwhile, demand has been picking up—the works were running at 100 per cent. capacity in June and the management is looking for ways of squeezing out yet more production. It is still a recovery in demand which could gather. The stock market took the losses steadily and the shares, at 44p, were unchanged. The cycle certainly seems to be going the right way now and second-half profits should more than cover first-half losses. The yield of 103 per cent. was covered four times in 1975.

S. & U. loan credit venture

THE MAIN retail credit business of S. & U. Stores is to take an entirely new shape with emphasis is to be made available in more than 200,000 existing customers. This is confirmed in the report and accounts for the year to January 31, 1976.

This will substantially increase profitability for the year ending January 31, 1978, says Mr. D. M. Coombs, executive chairman, "and we are envisaging a pre-tax profit for that division alone, of more than £1m. for that year."

The accounts also show the effect of the merger of the mail order division which had a net assets of the group to £8.15m. last year.

As reported on July 17, 1975, pre-tax profit fell from £250,500 to £157,593 and the dividend is down from 0.83p to 0.5875p a share net.

The profit excludes the terminal loss incurred on the mail order division whose trading assets have now been sold.

In the manufacturing division turnover increased from £2.12m. to £2.2m. and marginally marginally fell by 2.4 per cent. covered 2.3 times.

• comment

After Wagon Industrial's small profit downturn in the first half, the market was pleasantly surprised by the company's 52 per cent. increase at the pre-tax level in the second and the shares closed yesterday up higher at 96p.

The main contributor to growth was the materials handling, storage systems and steel furniture division, which turned over 20 per cent. of sales.

During the past two years two factories and three warehouses have been added to existing premises; others expanded, another new warehouse is being bought and two more are being upgraded.

• comment

The 33 per cent. improvement in pre-tax profits at John James is mainly due to a dramatic division in the trading division.

With profit margins greater than the investment income for the first time, H. J. Godwin, in particular, has benefited from strong overseas demand, and a new sub-

division has been bought

EMI TAPE

EMI Tape, the largest British producer of magnetic recording subsidiary

INTERIM STATEMENT



The Directors announce the unaudited results of the Group for the half year to 30th June, 1976, with comparative figures for the previous year.

Yorkshire Chemicals Limited

The Directors announce the unaudited results of the Group for the half year to 30th June, 1976, with comparative figures for the previous year.

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NORTH SEA OIL REVIEW

Exploration groups find success is mixed

OFFSHORE exploration groups are experiencing a mixed bag of fortune at present. British Petroleum has successfully proved an extension to its Magnus Field but Shell/Esso has been forced to plug and abandon an extension appraisal well on the "North Cormoran" structure. Meanwhile, in the Placid Group, drilling in a promising area to the south of the Brae Field, has encountered mechanical problems.

The BP find has reinforced industry speculation that a decision to develop the Magnus Field could be taken next year. The latest well, on block 211/7 tested oil at a rate of 5,700 barrels a day on the northern extremities of the delineated field. The rig Sedco 703 has now moved about nine miles to block 211/12 in test the southern part of the structure.

Promising

Although there have been industry reports that the field could contain up to 900m. or 900m. barrels of recoverable reserves, it is thought that on current evidence the proven range is 450m. to 550m. barrels. The size could be upgraded if the southern well is successful. BP is saying little about the field as having more commercial

discovery, although it is finding it difficult to conceal the fact that it regards Magnus as its most promising discovery since Forties. BP must also be encouraged to find its Forties Field producing at a faster rate than originally forecast, a situation repeated on Shell/Esso's well on the "North Cormoran" structure.

Meanwhile, in the Placid Group, drilling in a promising area to the south of the Brae Field, has encountered mechanical problems.

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The main Cormoran Field is due to start producing in August or September next year from a platform being built at Ardive Point. It is possible that Shell and Esso will find the Viking Oil—on block 18/12. An exploration well, started on June 9, is testing a similar geological feature to that encountered in Pan Ocean's Brae Field on 18/7 immediately to the north. The Phillips Group

has intensifi ed since the recent find on 16/17. It is understood that Phillips, which viewed the discovery as "very encouraging," intends to return to the field once it has completed its current detailed seismic programme. The group hopes to sink an appraisal well before the end of the year.

General interest in the north-south structure in quadrant 16 has intensified since the recent find on 16/17. It is understood that Phillips, which viewed the discovery as "very encouraging," intends to return to the field once it has completed its current detailed seismic programme. The group hopes to sink an appraisal well before the end of the year.

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Placid's Venture 1 semi-submersible rig encountered mechanical problems involving the riser just 12 feet from total

Odin Drill for another appraisal well offshore supplies industries, expected to be the first to oil.

The operators have also completed drilling a production well for "Brent G," a remote-controlled platform ordering.

Conoco will be among the first North Sea operators involved in underwater production system being installed in w

will be the world's deepest underwater well completion system.

The installation, designed to diversify installation and move operations from a production platform, will allow production from an appr well to accelerate the flow Brent oil to the U.K.

Shell and Esso regard equipment as a practical ex-

periment. If successful, similar items might be installed in other fields. It is conceivable, instance, that such a submersible rig, Drillmaster, is still tolerances required by the field operators, Shell and Esso. Even

more impressive was the very slight deviation from the vertical of the 375,000-tonne structure.

Alternatively, a system might be used for water injection. The order to maltaize oil press Shell/Esso's small Auk I

direction was reported to be would seem a candidate for application.

Finally, it is understood Mobil intends to start pro-

duction from the edge of the Cormoran or Dunlin Fi

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An exploration well on block 15/23 is reported to be at total depth, while the semi-

submersible rig, Drillmaster, is still drilling an exploration well on 14/20—the eighth well to be drilled in that block.

The platform was kept on stand-by near the field for two days awaiting acceptable sea conditions. When it was sub-

merged, it was positioned just 10 metres from the "bull's eye" location, well within the tolerances required by the field operators, Shell and Esso. Even

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RIG MOVEMENTS OFFSHORE THE U.K.

Operator	Rig	Block	Operator	Rig	Block
BP	Sedco 703	211/12-4	Shell	Stadlift	211/29-7
BP	Sea Quest	21/18-6	Shell	Sedco 700	206/5-1
Conoco	Dundee Kingsorth	3/2-2	Shell	Ocean Voyager	211/21-5
Mobil	Sedco 704	9/13-12	Chris Chemey	211/22-4	
Occidental	Bredford Dolphin	15/17	Texaco	Sedna 701	15/23-2
Pan Ocean	Odin Drill	16/7-4a	Texaco	Drillmaster	14/20-1
Phillips	Ocean Rover	9/16-1	Texaco	Zapata Uganda	3/9-3
Placid	Venture 1	16/12-1	Trans Ocean	Penetro 71	16/16-1a

for the Cormorant extension Shetland Islands. By last Sunday it was placed first, probably in location for exactly 100 days. followed by another for Tern. It is believed that the well, in early 1978.

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Group—Hunt International and Viking Oil—on block 18/12. An exploration well, started on June 9, is testing a similar geological feature to that encountered in Pan Ocean's Brae Field on 18/7 immediately to the north. The Phillips Group

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WALL STREET + OVERSEAS MARKETS

+ FOREIGN EXCHANGES

Mostly lower: awaiting money figures

BY OUR WALL STREET CORRESPONDENT

THE TWO-DAY advance was it paid 35 cents in December bailed on Wall Street to-day, when 1974 prices closed mostly lower with J. C. Penney, S. S. Kresge, investors awaiting the Federal F. W. Woolworth and May Reserve's weekly report on the Department Stores were each fractionally off, despite higher sales.

The Dow Jones Industrial Average reacted .50 to 986.68 and the NYSE All Common Index gained back 28 cents to 433.50. While selected advanced by a seven-to-five majority, Trading volume dropped 5.12m. Late in the afternoon, the

Late in the afternoon, the

Federal Reserve Bank reported that basic money supply, or M1, declined by \$120m. to \$304,800m. in the week ended July 28.

The broader based aggregate, M2, rose by \$200m.

Corporate news depressed cer-

tain issues, but analysts said that general tone of the Stock Market reflected a lack of interest.

RCA dropped \$1 to \$37. It is

considering the sale of 5m. addi-

tional shares late in the summer.

Chrysler lost \$1 to \$203. It al-

though it declared a dividend of 15 cents a share, the first since

higher earnings.

EMI held unchanged at \$4—the British-based firm said it plans to double the output of its medical scanners in the next 12 months.

OTHER MARKETS

Canada up again

Canadian Stock Markets gained further strength in light trading yesterday.

The Industrial Share Index rose .37 to 1,015. Base Metals .08 to 51.05. Western Oil .74 to 227.67. Utilities .46 to 145.98.

Overseas Shipyards moved down .50 to 317 after net earnings for the second quarter net earnings

rose 10.4%.

Standard Oil Ohio rose \$1 to

\$72.1—it is negotiating for a

"substantial" private financing

involving no equity financing. It

estimated the amount around

\$400m. to \$500m.

International Flavors and Fra-

gments gained another \$1 to 523;

in higher second quarter net

earnings.

THE AMERICAN SE Market

Value Index was off .23 to 103.59,

while declining issues led

advances by 130-to-239.

Houston Oil and Minerals fell

among local issues at the start of the new Account,

and Trading stocks were mixed,

while most Insurances rose.

State Loans eased.

MILAN—Stocks

firmed in response to the Prime Minister's speech to Parliament in which he

pledged to stimulate industrial

profitability and output.

Bonds were marginally better.

TOKYO—Higher, with active

selective buying in "medium-

sized" shares more than offsetting

increased profit-taking. Volume

was high.

Foods, Paper-Pulp,

Pharmaceuticals and small-size

industries extended Wednes-

day's rally.

Motor Parts and "Speculatives"

also closed higher.

HONG KONG—Fractionally

lower in slow trading.

Hutchinson, however, gained 24

cents to HK\$3.075.

Caine Light were down 10 cents

to HK\$23.80 and Hong Kong and

Kowloon Wharf 10 cents to

HK\$20.50.

JOHANNESBURG—Gold shares

were easier following the lower

bullion price. Financial Minings

were little changed.

Coppers also were little

changed, while Platinums were

mostly off.

Collieries were steady in fairly

active trading. Industrials were

steady.

AUSTRALIA—Mixed in quiet

trading.

AM & S were lifted 40 cents to

\$A3.00 on CRA's bid for the 36.5

per cent. of AM & S it does not

already own. CRA fell 20 cents

to \$A3.25.

Pancontinental recovered 30

cents to \$A1.80, but Posedden

dipped 10 cents to \$A2.45.

Philip Morris rose 20 cents to

SAB30. ASL shed 2 cents to 48

cents on its loss announcement.

It will pay 12 cents to

SAB32. IAG Holdings gained

10 cents to \$A1.10.

Groups still under selling pres-

sure included Motors and Proper-

ties, with Hooker down 5 cents to

\$A1.03.

Retailers were mixed.

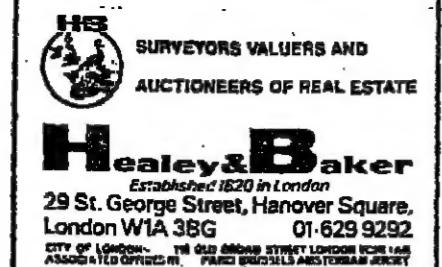
U.S. & G in Montreal

U.S. & G in U.S. 20 cents.

U.S. & G in U.S. 20 cents

CK INDICES

May Unit Trs. Migr. Ltd. (a) 100	Bridge Telecom Pd. Migr. Y (c)	G.T. Unit Managers Ltd.	L & C Unit Trust Management Ltd. Y	Mercury Fund Managers Ltd.	Pleasday Unit Trs. Migr. Ltd. Y	J. Henry Schroder Wag. & Co. Ltd. Y	Target Trs. Migr. (Scotland) (a)(b)
60 Capitaliser Ltd. (a) 100	24. Morning Star. E.G.S. 01-02-1976	61. Franklin Circuit ECN 1000 T.D.D. 01-02-1976	The Stock Exchange ECN 1000 01-02-1976	St. London, Well. E.C. 2	61.00-000003	10. Abell Corcoran Edia. 3	ECN 1000-000002
61.00-000003	25. G.T. Corp. Inc.	62. G.T. Inv. Pd. 01-02-1976	62.00-000005	62.00-000003	62.00-000003	Target Fund	10.12
62.00-000003	63. G.T. Inv. Pd. 01-02-1976	63. G.T. Inv. Pd. 01-02-1976	63.00-000005	63.00-000003	63.00-000003	Target Fund	10.12
63.00-000003	64. G.T. Inv. Pd. 01-02-1976	64. G.T. Inv. Pd. 01-02-1976	64.00-000005	64.00-000003	64.00-000003	Target Fund	10.12
64.00-000003	65. G.T. Inv. Pd. 01-02-1976	65. G.T. Inv. Pd. 01-02-1976	65.00-000005	65.00-000003	65.00-000003	Target Fund	10.12
65.00-000003	66. G.T. Inv. Pd. 01-02-1976	66. G.T. Inv. Pd. 01-02-1976	66.00-000005	66.00-000003	66.00-000003	Target Fund	10.12
66.00-000003	67. G.T. Inv. Pd. 01-02-1976	67. G.T. Inv. Pd. 01-02-1976	67.00-000005	67.00-000003	67.00-000003	Target Fund	10.12
67.00-000003	68. G.T. Inv. Pd. 01-02-1976	68. G.T. Inv. Pd. 01-02-1976	68.00-000005	68.00-000003	68.00-000003	Target Fund	10.12
68.00-000003	69. G.T. Inv. Pd. 01-02-1976	69. G.T. Inv. Pd. 01-02-1976	69.00-000005	69.00-000003	69.00-000003	Target Fund	10.12
69.00-000003	70. G.T. Inv. Pd. 01-02-1976	70. G.T. Inv. Pd. 01-02-1976	70.00-000005	70.00-000003	70.00-000003	Target Fund	10.12
70.00-000003	71. G.T. Inv. Pd. 01-02-1976	71. G.T. Inv. Pd. 01-02-1976	71.00-000005	71.00-000003	71.00-000003	Target Fund	10.12
71.00-000003	72. G.T. Inv. Pd. 01-02-1976	72. G.T. Inv. Pd. 01-02-1976	72.00-000005	72.00-000003	72.00-000003	Target Fund	10.12
72.00-000003	73. G.T. Inv. Pd. 01-02-1976	73. G.T. Inv. Pd. 01-02-1976	73.00-000005	73.00-000003	73.00-000003	Target Fund	10.12
73.00-000003	74. G.T. Inv. Pd. 01-02-1976	74. G.T. Inv. Pd. 01-02-1976	74.00-000005	74.00-000003	74.00-000003	Target Fund	10.12
74.00-000003	75. G.T. Inv. Pd. 01-02-1976	75. G.T. Inv. Pd. 01-02-1976	75.00-000005	75.00-000003	75.00-000003	Target Fund	10.12
75.00-000003	76. G.T. Inv. Pd. 01-02-1976	76. G.T. Inv. Pd. 01-02-1976	76.00-000005	76.00-000003	76.00-000003	Target Fund	10.12
76.00-000003	77. G.T. Inv. Pd. 01-02-1976	77. G.T. Inv. Pd. 01-02-1976	77.00-000005	77.00-000003	77.00-000003	Target Fund	10.12
77.00-000003	78. G.T. Inv. Pd. 01-02-1976	78. G.T. Inv. Pd. 01-02-1976	78.00-000005	78.00-000003	78.00-000003	Target Fund	10.12
78.00-000003	79. G.T. Inv. Pd. 01-02-1976	79. G.T. Inv. Pd. 01-02-1976	79.00-000005	79.00-000003	79.00-000003	Target Fund	10.12
79.00-000003	80. G.T. Inv. Pd. 01-02-1976	80. G.T. Inv. Pd. 01-02-1976	80.00-000005	80.00-000003	80.00-000003	Target Fund	10.12
80.00-000003	81. G.T. Inv. Pd. 01-02-1976	81. G.T. Inv. Pd. 01-02-1976	81.00-000005	81.00-000003	81.00-000003	Target Fund	10.12
81.00-000003	82. G.T. Inv. Pd. 01-02-1976	82. G.T. Inv. Pd. 01-02-1976	82.00-000005	82.00-000003	82.00-000003	Target Fund	10.12
82.00-000003	83. G.T. Inv. Pd. 01-02-1976	83. G.T. Inv. Pd. 01-02-1976	83.00-000005	83.00-000003	83.00-000003	Target Fund	10.12
83.00-000003	84. G.T. Inv. Pd. 01-02-1976	84. G.T. Inv. Pd. 01-02-1976	84.00-000005	84.00-000003	84.00-000003	Target Fund	10.12
84.00-000003	85. G.T. Inv. Pd. 01-02-1976	85. G.T. Inv. Pd. 01-02-1976	85.00-000005	85.00-000003	85.00-000003	Target Fund	10.12
85.00-000003	86. G.T. Inv. Pd. 01-02-1976	86. G.T. Inv. Pd. 01-02-1976	86.00-000005	86.00-000003	86.00-000003	Target Fund	10.12
86.00-000003	87. G.T. Inv. Pd. 01-02-1976	87. G.T. Inv. Pd. 01-02-1976	87.00-000005	87.00-000003	87.00-000003	Target Fund	10.12
87.00-000003	88. G.T. Inv. Pd. 01-02-1976	88. G.T. Inv. Pd. 01-02-1976	88.00-000005	88.00-000003	88.00-000003	Target Fund	10.12
88.00-000003	89. G.T. Inv. Pd. 01-02-1976	89. G.T. Inv. Pd. 01-02-1976	89.00-000005	89.00-000003	89.00-000003	Target Fund	10.12
89.00-000003	90. G.T. Inv. Pd. 01-02-1976	90. G.T. Inv. Pd. 01-02-1976	90.00-000005	90.00-000003	90.00-000003	Target Fund	10.12
90.00-000003	91. G.T. Inv. Pd. 01-02-1976	91. G.T. Inv. Pd. 01-02-1976	91.00-000005	91.00-000003	91.00-000003	Target Fund	10.12
91.00-000003	92. G.T. Inv. Pd. 01-02-1976	92. G.T. Inv. Pd. 01-02-1976	92.00-000005	92.00-000003	92.00-000003	Target Fund	10.12
92.00-000003	93. G.T. Inv. Pd. 01-02-1976	93. G.T. Inv. Pd. 01-02-1976	93.00-000005	93.00-000003	93.00-000003	Target Fund	10.12
93.00-000003	94. G.T. Inv. Pd. 01-02-1976	94. G.T. Inv. Pd. 01-02-1976	94.00-000005	94.00-000003	94.00-000003	Target Fund	10.12
94.00-000003	95. G.T. Inv. Pd. 01-02-1976	95. G.T. Inv. Pd. 01-02-1976	95.00-000005	95.00-000003	95.00-000003	Target Fund	10.12
95.00-000003	96. G.T. Inv. Pd. 01-02-1976	96. G.T. Inv. Pd. 01-02-1976	96.00-000005	96.00-000003	96.00-000003	Target Fund	10.12
96.00-000003	97. G.T. Inv. Pd. 01-02-1976	97. G.T. Inv. Pd. 01-02-1976	97.00-000005	97.00-000003	97.00-000003	Target Fund	10.12
97.00-000003	98. G.T. Inv. Pd. 01-02-1976	98. G.T. Inv. Pd. 01-02-1976	98.00-000005	98.00-000003	98.00-000003	Target Fund	10.12
98.00-000003	99. G.T. Inv. Pd. 01-02-1976	99. G.T. Inv. Pd. 01-02-1976	99.00-000005	99.00-000003	99.00-000003	Target Fund	10.12
99.00-000003	100. G.T. Inv. Pd. 01-02-1976	100. G.T. Inv. Pd. 01-02-1976	100.00-000005	100.00-000003	100.00-000003	Target Fund	10.12
100.00-000003	101. G.T. Inv. Pd. 01-02-1976	101. G.T. Inv. Pd. 01-02-1976	101.00-000005	101.00-000003	101.00-000003	Target Fund	10.12
101.00-000003	102. G.T. Inv. Pd. 01-02-1976	102. G.T. Inv. Pd. 01-02-1976	102.00-000005	102.00-000003	102.00-000003	Target Fund	10.12
102.00-000003	103. G.T. Inv. Pd. 01-02-1976	103. G.T. Inv. Pd. 01-02-1976	103.00-000005	103.00-000003	103.00-000003	Target Fund	10.12
103.00-000003	104. G.T. Inv. Pd. 01-02-1976	104. G.T. Inv. Pd. 01-02-1976	104.00-000005	104.00-000003	104.00-000003	Target Fund	10.12
104.00-000003	105. G.T. Inv. Pd. 01-02-1976	105. G.T. Inv. Pd. 01-02-1976	105.00-000005	105.00-000003	105.00-000003	Target Fund	10.12
105.00-000003	106. G.T. Inv. Pd. 01-02-1976	106. G.T. Inv. Pd. 01-02-1976	106.00-000005	106.00-000003	106.00-000003	Target Fund	10.12
106.00-000003	107. G.T. Inv. Pd. 01-02-1976	107. G.T. Inv. Pd. 01-02-1976	107.00-000005	107.00-000003	107.00-000003	Target Fund	10.12
107.00-000003	108. G.T. Inv. Pd. 01-02-1976	108. G.T. Inv. Pd. 01-02-1976	108.00-000005	108.00-000003	108.00-000003	Target Fund	10.12
108.00-000003	109. G.T. Inv. Pd. 01-02-1976	109. G.T. Inv. Pd. 01-02-1976	109.00-000005	109.00-000003	109.00-000003	Target Fund	10.12
109.00-000003	110. G.T. Inv. Pd. 01-02-1976	110. G.T. Inv. Pd. 01-02-1976	110.00-000005</td				



FT SHARE INFORMATION SERVICE

HOTELS—Continued

**BRITISH FUNDS

High	Low	Stock	%	Div.	Gross	Cov.	Yield
100	96	Shorts' (Lives up to Five Years)	+1	1.00	10.75	10.75	10.75%
96	91	Treasury 10% 1982	+1	1.00	9.93	9.93	9.93%
97	91	Electric Spec 72-77	+1	1.00	9.63	9.63	9.63%
103	93	Treasury 11% 1982	+1	1.00	11.46	11.46	11.46%
95	91	Treasury 12% 1982	+1	1.00	11.74	11.74	11.74%
97	91	Treasury 13% 1982	+1	1.00	11.23	11.23	11.23%
95	91	Treasury 14% 1982	+1	1.00	9.30	9.30	9.30%
97	91	Treasury 15% 1982	+1	1.00	10.61	10.61	10.61%
95	91	Treasury 16% 1982	+1	1.00	9.67	9.67	9.67%
95	91	Treasury 17% 1982	+1	1.00	9.75	9.75	9.75%
95	91	Treasury 18% 1982	+1	1.00	8.74	8.74	8.74%
95	91	Treasury 19% 1982	+1	1.00	8.44	8.44	8.44%
95	91	Treasury 20% 1982	+1	1.00	8.20	8.20	8.20%
95	91	Treasury 21% 1982	+1	1.00	7.96	7.96	7.96%
95	91	Treasury 22% 1982	+1	1.00	7.61	7.61	7.61%
95	91	Treasury 23% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 24% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 25% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 26% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 27% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 28% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 29% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 30% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 31% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 32% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 33% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 34% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 35% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 36% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 37% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 38% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 39% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 40% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 41% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 42% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 43% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 44% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 45% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 46% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 47% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 48% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 49% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 50% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 51% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 52% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 53% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 54% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 55% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 56% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 57% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 58% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 59% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 60% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 61% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 62% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 63% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 64% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 65% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 66% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 67% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 68% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 69% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 70% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 71% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 72% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 73% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 74% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 75% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 76% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 77% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 78% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 79% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 80% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 81% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 82% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 83% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 84% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 85% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 86% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 87% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 88% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 89% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 90% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 91% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 92% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 93% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 94% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 95% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 96% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 97% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 98% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 99% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 100% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 101% 1982	+1	1.00	7.57	7.57	7.57%
95	91	Treasury 102% 1982	+1	1.00	7.57	7.57	

Afrikaners urge reforms as Soweto blacks march again

BY STEWART DALBY

AS MORE demonstrations broke out today in the black townships around Johannesburg, in which (according to unconfirmed reports) one black was killed, there were urgent calls from many quarters in South Africa for reforms to resolve the situation.

In Soweto, South Africa's largest black township, police used automatic rifles and tear gas to break up a march of some 5,000 blacks this afternoon after a brief period of calm following yesterday's massive protest against the continued detention of student leaders.

According to eye-witnesses, many shots were fired and at least one person was killed by police bullets. Police claimed that the man in question was a black "robber" whom they shot at when he tried to escape. He dropped to the ground, they said, but was not

hit by police bullets. He was Western Cape in Cape Town (a coloured university), then arrested.

However, Col. J. J. Gerber, divisional inspector of police in Soweto, confirmed this morning that three people had been killed in yesterday's clashes. Yesterday, General Gert Prinsloo, Commissioner of Police for the East Rand, rejected claims that people had been killed in the disturbances.

Dispersed

To-day there were also disturbances in Tembisa, the black township to the north-east of Johannesburg, where 1,000 school children were dispersed by police after a bottle store and beer hall had been stoned.

In Katlehong, another township on the East Rand (the area around Johannesburg), delivery vans were attacked by youngsters.

At the University of the

body that something has to be prepared the ground.

Chrysler will pay 15 cents dividend

By Jay Palmer

NEW YORK August 5.

CHRYSLER DECLARED a dividend payment this morning of 15 cents a share payable in September. This quarterly payout, the first by the company in over a year and a half, followed its news last week that it made an all-time record profit in the second quarter of 1976.

Wall Street had anticipated Chrysler's restoration of the dividend and following a brief trading suspension on the New York Stock Exchange, the company's shares moved lower, falling almost immediately by \$1 to \$21. Market disappointments centred on the fact that Chrysler had not fully restored its payout to pre-crisis levels.

Chrysler, third largest car company in the U.S., last paid a dividend, 35 cents a share, in the first quarter of 1974. The company had a loss in the second half of 1973 and continued in the red in 1975, thanks partly to the hefty losses of its British subsidiary. The simultaneous downturn in new U.S. car sales was an additional burden.

Under the terms of a special revolving credit agreement which its banks worked out to keep the company from going under, Chrysler had been prohibited from making dividend payments until its earnings were restored to an acceptable level. According to the company, this was equivalent to first-half 1975 profits of less than \$21.6m. Last week it disclosed record first-half profits of \$22.7m.

Du Cann calls for funds check on Enterprise Board

BY PETER HENNESSY, LOBBY CORRESPONDENT

M. EDWARD DU CANN will this committee would concentrate next session on investigating the efficacy of cash limits on public spending.

They will also examine the right to scrutinise the use of all public funds payable by the Treasury to the National Enterprise Board.

His letter to Mr. Joel Barnett, the Treasury Chief Secretary, is part of his campaign to extend Parliamentary control over public spending in new fields of Government activity stemming from recent legislation.

Mr. du Cann has met Mr. Eric Varley, Industry Secretary, already to protest about the inadequacy of information given to Parliament this week of £20m. to £30m. Market disappointments centred on the fact that Chrysler had not fully restored its payout to pre-crisis levels.

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Crane-maker's shareholders vote takeover men off Board

BY KEITH LEWIS

MR. A. T. SMITH and Mr. Per Hegard, chairman and deputy chairman of Amalgamated Industries, were voted yesterday off the Board of the crane-manufacturer Herbert Morris, the company they once tried to take over.

In a poll at the company's annual meeting at Loughborough, Leics., shareholders cast 1.75m. share votes for the resolution not to re-elect the men and 1.28m. share votes against.

The result of the vote is a triumph for the Herbert Morris Board. Having fought off the takeover bid by Amalgamated Industries, it has also removed that company's two representatives. Neither was present at the meeting.

The problem of Amalgamated's 38 per cent. shareholding in Morris remains. Amalgamated has taken the advice of counsel, so far not reduced its holding as recommended in a report from the Monopolies Commission last May. The pro-

posed takeover was judged "against the public interest."

On the eve of yesterday's meeting Amalgamated Industries issued a statement agreeing to sell its entire holding to a single shareholder. It is understood the unofficial time limit or the disposal has been set at two to three years' maximum.

The Office of Fair Trading, which advises Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, must now meet the relevant parts to see whether Amalgamated's undertaking still exists after the removal of Mr. Smith and Mr. Hegard from the Morris Board.

The Office set the task of would see the Office of Fair Trading to-day or Monday, unlikely to approve of the 38 per cent. stake passing into the hands of one holder. First, it said no firm offer had been made, but confirmed that there new bid under the rules of the had been soundings.

£700,000 State stake in Drake

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE GOVERNMENT is to inject £100,000 into Drake and Cubitt Holdings, the electrical, mechanical and construction engineering group, in return for an immediate 15 per cent. stake in the business.

Under the terms of an agreement announced yesterday, the Department of the Environment could also provide a further £1.7m. in aid and push its stake in the company up to just under 38 per cent.

The group has been incurring very heavy losses on fixed price civil engineering contracts in recent years and its financial position has deteriorated.

With about 200 public sector contracts worth £50m. under way, as well as heavy overseas commitments, Drake and Cubitt was considered by the Department to be worth assisting "in the national interest."

The deal, which may have saved the company from complete collapse, was largely triggered off by the impending sale of the group's civil engineering subsidiary, Holland, Hamner and

Partners, by its major shareholder, the Banque Bruxelles Lambert, which was used to buy a stake in a Belgian manufacturing company.

Drake and Cubitt is to transfer its interest in the manufacturer to the bank and also pay the bank £2.3m. In addition, the bank will be issued with 500,000 New Convertible Preference shares, providing it with 7 per cent. of the ongoing group's equity.

Man and Matters, Page 12; Business report, Page 14

Continued from Page 1

Lonrho row in Commons

phone call as a breach of Parliamentary privilege unless there were signs that the threats were actually going to be carried out.

Mr. Rowland said in a prepared statement: "I have just got back from Pakistan and am too busy to read any more about this matter. It is absolute rubbish and utter bilge."

Mr. Robert Dunlop, another Lonrho director, said last night that he had not been present during Mr. Rowland's telephone conversation with Mrs. Sedgemore, but had talked about it with him the next morning.

"Mr. Rowland did not threaten and did not say 'do or get,' but said he left there had been an abuse of privilege and would test that abuse of privilege. Mr. Rowland had said to Mrs. Sedgemore that if there was an abuse of privilege then he would go for her husband in the court."

Man and Matters, Page 12; Business report, Page 14

Willis Faber to go public

BY MARGARET REID

WILLIS FABER and Dumas (Holdings), one of Britain's "big four" insurance brokers, with a 22 per cent. stake in the merchant bank Morgan Grenfell, plans a public flotation of its shares in the next few months. Given conditions like to-day's, it is expected that the company would make its stock market debut with a value of about £70m.

This would make Willis Faber larger than the big concerns—Hambro Life, Molins and Thomas Borthwick—whose flotation recently tested the new issue market after a three-year gap.

Although to-day's demonstration in Soweto appeared to be a spontaneous eruption arising from the ugly mood of many young people following yesterday's clashes, it has become clear that the disturbances are now much better organised than they were last June, when 178 people were killed and over 1,000 were wounded.

This afternoon, a senior member of the ruling Nationalist Party said that "there is a growing feeling among almost everyone

that the Government is to the point of making some dramatic concessions and has used Mr. Nel to

say that travel facilities should be improved, sufficient shopping centres provided, and drastic urban renewal projects launched.

The sudden change of heart by a leading Nationalist MP has led observers to speculate that

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